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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 130710605-3999-02]

RIN 0648-BD41

Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic;
Shrimp Fishery of the Gulf of Mexico; Establish Funding
Responsibilities for the Electronic Logbook Program

AGENCY: National Marine Fisheries Service (NMFS), National
Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Final changes to management measures.

SUMMARY: NMFS establishes funding responsibilities for an
upgrade to the shrimp electronic logbook (ELB) program as
described in a framework action to the Fishery Management Plan
for the Shrimp Fishery of the Gulf of Mexico (FMP), as prepared
by the Gulf of Mexico (Gulf) Fishery Management Council
(Council). Newer and more efficient ELB units have been
purchased by NMFS for the Gulf shrimp fleet and are available
for installation on Gulf shrimp vessels. Therefore, NMFS
establishes a cost-sharing program to fund the ELB program.
NMFS will pay for the software development, data storage, effort
estimation analysis, and archival activities for the new ELB
units, and selected vessel permit holders in the Gulf shrimp

fishery will pay for installation and maintenance of the new ELB units and for the data transmission from the ELB units to a NOAA server. The purpose of these changes is to ensure that management of the shrimp fishery is based upon the best scientific information available and that bycatch is minimized to the extent practicable.

DATES: These final changes to management measures are effective [insert date 30 days after date of publication in the FEDERAL REGISTER].

ADDRESSES: Electronic copies of the framework action, which includes a Regulatory Flexibility Act analysis and a regulatory impact review, may be obtained from the Southeast Regional Office Web Site at http://sero.nmfs.noaa.gov/sustainable_fisheries/gulf_fisheries/shrimp/index.html.

Comments regarding the burden-hour estimates or other aspects of the collection-of-information requirements contained herein may be submitted in writing to Anik Clemens, Southeast Regional Office, NMFS, 263 13th Avenue South, St. Petersburg, FL 33701; and OMB, by e-mail at OIRA_Submission@omb.eop.gov, or by fax to 202-395-7285.

FOR FURTHER INFORMATION CONTACT: Susan Gerhart, Southeast Regional Office, NMFS, telephone: 727-824-5305; email: Susan.Gerhart@noaa.gov.

SUPPLEMENTARY INFORMATION: The shrimp fishery of the Gulf is managed under the FMP. The FMP was prepared by the Council and is implemented through regulations at 50 CFR part 622 under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

On October 22, 2013, NMFS published the proposed changes to management measures for the ELB program for the Gulf shrimp fishery and requested public comment (78 FR 62579). The proposed changes to management measures and the framework action outline the rationale for the actions contained herein. A summary of the actions implemented by the framework action is provided below.

These final changes in management measures require vessel permit holders in the Gulf shrimp fishery to share in the cost of the ELB program. NMFS will inform vessel owners that they have been selected to participate in this program, and that they have a total of 90 days to comply with the regulations to install and activate their new ELB units (30 days to activate a wireless account and 60 days to install the new ELB unit) after it has been shipped by NMFS and received by the vessel owner. Vessel owners selected to participate in the ELB program must contact Verizon Wireless, the wireless provider, by e-mail at VZWGulfCoastELB@VerizonWireless.com, or by phone: 888-211-3258, to initiate service for the new ELB unit.

The changes to the management measures are being published pursuant to section 304(b)(3) of the Magnuson-Stevens Act.

Changes from the Proposed Changes to Management Measures

As was proposed, selected vessel permit holders in the Gulf shrimp fishery will cover the costs of installing and maintaining the ELB units and the cost of data transmission from the units to a NOAA server. The cost of data transfer, however, which is the major cost to the vessel permit holders in the Gulf shrimp fishery, was previously estimated to be \$720 per vessel annually. Recent negotiations with the wireless provider have substantially reduced this cost to approximately \$240 per vessel annually.

Comments and Responses

NMFS received a total of nine public comments on the proposed changes to management measures; one from an organization and the remainder from individuals. Some commenters submitted suggestions for the Gulf shrimp fishery that were outside the scope of the framework action, including comments regarding monitoring catch. Seven commenters were against the framework action, one was in favor of the framework action, and one expressed no position for or against the changes but was in support of using modern vessel monitoring system (VMS) type technology. Specific comments related to the actions

contained in the framework action, as well as NMFS' respective responses, are summarized below.

Comment 1: The cost sharing program will impose a financial burden on fishermen who already have high expenses because of increased operating costs and a depressed economy.

Response: The Council considered several funding alternatives for continuing the ELB program, and NMFS agrees with the Council's choice to implement the cost-sharing program. The Council and NMFS recognize the burden of the cost-sharing program on the vessel permit holders in the Gulf shrimp fishery. As analyzed in the framework action, NMFS will cover the cost of the ELB equipment, software development, data storage, effort estimation analysis, and archival activities. Vessel permit holders in the Gulf shrimp fishery selected to participate in the ELB program will cover the costs of installing and maintaining the ELB units and the cost of data transmission from the units to a NOAA server. The installation cost of approximately \$200 per vessel is a one-time cost; maintenance costs are periodic; and the data transfer cost is annual. The cost of data transfer, which is the major cost to the vessel permit holders in the Gulf shrimp fishery selected to participate in the ELB program, was previously estimated at \$720 per vessel annually. Recent negotiations with the wireless provider have substantially reduced this cost to approximately

\$240 per vessel annually to receive the same service. The division of cost is similar to that for the Gulf reef fish VMS program. NMFS will constantly evaluate the ELB program, including its costs, particularly with respect to the burden on the vessel permit holders in the Gulf shrimp fishery.

Comment 2: Fishermen should not be required to reveal where they fish. Information provided by the ELB unit transmissions should be confidential.

Response: The new ELB program collects the same data as the prior ELB program. NMFS adheres to strict confidentiality guidelines with regards to its various data collection programs, including the ELB program. To date, there have been no reported issues related to the confidentiality of information collected through the ELB program. NMFS will work with the wireless provider to ensure that data transmission under the new ELB program is secure, as in the VMS program for the Gulf reef fish fishery.

Comment 3: The new ELB units are not ready to be implemented and will not work.

Response: The new ELB units have been tested on several vessels that also have the prior ELB units. The new ELB units are functioning and the data collected by both units match. It is expected that some issues may arise with the implementation of a new system. However, NMFS is confident that any issues that

arise regarding the functioning of the ELB units can be efficiently resolved.

Comment 4: The prior ELB program worked so it should be continued. NOAA should not be involved in the ELB program and should let the previous contractor continue the program.

Response: Continuing the prior ELB program would necessarily result in either NMFS or vessel permit holders in the Gulf shrimp fishery being required to cover the full cost of the program. Funding for the prior ELB program through the current contractor will cease at the end of 2013 (the end of the contract), and no new Federal money is expected to be forthcoming. Therefore, NMFS does not have the means to cover the full cost of the ELB program at this time. Additionally, NMFS recognizes that it would be very burdensome for vessel permit holders in the Gulf shrimp fishery to bear the full cost of the ELB program. Unless NMFS or the vessel permit holders in the Gulf shrimp fishery can secure outside funding, a cost-sharing program is the most appropriate funding option, and is therefore the option that the Council chose to implement at this time. NMFS' direct administration of the new ELB program is expected to reduce the cost of the ELB program and allow for a more efficient method of retrieving, archiving, and analyzing the data. The total annual cost of the new ELB program (after the first year) will be \$434,000 for 500 vessels, which is

substantially less than the \$975,000 annual cost for the prior ELB program, for 500 vessels. If all 1,500 vessels with Federal permits are selected to participate in the new ELB program, the cost would still be less than that of the prior ELB program, at \$674,000. As needed, NMFS will consult with experts, including the current contractor for the prior ELB program, in administering the program.

Comment 5: NOAA should fund the entire program. NOAA should have put the ELB program in the budget and could use BP funds to support it.

Response: As noted above, NMFS does not have the resources to fund the entire ELB program. NMFS' current budget is restricted from adding new programs for funding. Just because a program is not placed within the Federal budget, it does not lessen its importance to the government mission. There are many high priority programs which the Federal government oversees that may not have appropriations to fully fund them on an annual basis. Cost-sharing with user groups is one method that is used to fund high priority programs that do not have enough appropriations to be implemented solely under the Federal budget. Further, no funding has been made available for this program as a result of the Deepwater Horizon MC252 incident. If outside funding becomes available in the future to cover the cost of the entire ELB program, cost-sharing may not be needed.

If additional funding is acquired that is less than the total cost of the new ELB program, the vessel permit holders in the Gulf shrimp fishery's portion could be covered or reduced with that funding.

Comment 6: Data from the ELB program are important for future management of the Gulf shrimp fishery, however, there might be a less expensive way to obtain it.

Response: Since before the creation of the existing program, the Council and NMFS have explored numerous options for data collection in the Gulf shrimp fishery. During the development of Amendment 13 to the Gulf Shrimp FMP, which originally established the existing ELB requirement, the Council and NMFS determined that the ELB program was an accurate and cost effective means for collecting the necessary information from the fishery. Requiring industry to bear a portion of the costs of the program does not undermine these prior determinations relative to the program. Further, NMFS has determined that these modifications to the program best achieve the Council's objectives, while minimizing, to the extent practicable, the associated burdens on industry. Should more cost effective means of collecting the information be developed in the future, industry and the public at large are encouraged to recommend these innovations to the Council and NMFS for future implementation.

Classification

The Regional Administrator, Southeast Region, NMFS has determined that these final changes to management measures are necessary for the conservation and management of Gulf shrimp and is consistent with the FMP, the Magnuson-Stevens Act, and other applicable law.

This rule has been determined to be not significant for purposes of Executive Order 12866.

A Final Regulatory Flexibility Analysis (FRFA) was prepared for this action. The FRFA incorporates the Initial Regulatory Flexibility Analysis (IRFA), a summary of the significant economic issues raised by public comment, NMFS' responses to those comments, and a summary of the analyses completed to support the action. The FRFA follows.

No public comments specific to the IRFA were received. However, some comments regarding the cost burden of the new ELB program were received, and these are addressed in the comments and responses section, specifically Comments 1 and 5. No changes in management measures were made in response to public comments.

NMFS agrees that the Council's choice of preferred alternative would best achieve the Council's objectives for the framework action to the FMP while minimizing, to the extent practicable, the adverse effects on fishers, support industries,

and associated communities. The preamble for these final changes to management measures provides a statement of the need for and objectives of the management measures in the framework action.

The Magnuson-Stevens Act provides the statutory basis for the final changes to the management measures. No duplicative, overlapping, or conflicting Federal rules have been identified.

The prior ELB program for the Gulf shrimp fishery, established through the final rule to implement Amendment 13 to the FMP in 2006, required selected vessels to carry ELB units. These final changes to the management measures require selected vessels to carry new ELB units that are more modern and technologically advanced. From the standpoint of technical and professional skills needed, the new ELB units do not materially differ from the current ELB units. In fact, the new ELB units no longer require a technician to meet vessels to pull and program the memory card. Data collected by ELB units will be automatically transmitted to NMFS servers via a cellular phone connection activated when the vessel is within non-roaming cellular range. A key feature introduced by the final changes is that the vessel permit holders in the Gulf shrimp fishery will share the cost of the ELB program, whereas currently all costs of the ELB program are borne by the Federal government. Each federally permitted shrimp vessel selected to participate

will be responsible for the one-time cost of installing the ELB unit (\$200) and the annual cost of data transmission (\$240) through a contract with the service provider. The vessel permit holders will also be responsible for the cost of repairing or replacing the ELB unit. The replacement of one ELB unit is estimated at about \$425.

NMFS expects the final changes to management measures to directly affect commercial fishermen with valid or renewable Federal Gulf shrimp permits for harvesting penaeid shrimp in the Gulf exclusive economic zone (EEZ). The Small Business Administration (SBA) has established small entity size criteria for all major industry sectors in the United States, including fish harvesters. A business involved in fish harvesting is classified as a small business if independently owned and operated, is not dominant in its field of operation (including its affiliates), and its combined annual receipts are not in excess of \$19.0 million from finfish fishing (NAICS code 114111), or \$5.0 million from shellfish fishing (NAICS code 114112), or \$7 million from other marine fishing (NAICS code 114119) for all of its affiliated operations worldwide. For for-hire vessels, all qualifiers apply except that the annual receipts threshold is \$7.0 million (NAICS code 487210, recreational industries). The SBA periodically reviews and changes, as appropriate, these size criteria. On June 20, 2013,

the SBA issued a final rule revising the small business size standards for several industries effective July 22, 2013 (78 FR 37398). This rule increased the size standard for commercial finfish harvesters from \$4.0 million to \$19.0 million and commercial shellfish harvesters from \$4.0 million to \$5.0 million. Neither this rule, nor other recent SBA rules, changed the size standard for for-hire vessels.

The Federal Gulf shrimp permit has been placed under a moratorium since 2007. At the start of the moratorium, 1,915 vessels qualified and received Gulf shrimp permits. Over time, the number of permitted shrimp vessels declined, and in 2012 there were 1,582 such permitted vessels. According to the Southeast Regional Office Web site, the Constituency Services Branch (Permits) unofficially listed 1,431 holders of Gulf shrimp permits as of June 25, 2013.

During the period from 2006 through 2010, an average of 4,582 vessels fished for shrimp in the Gulf EEZ and state waters, of which 20 percent held Gulf shrimp permits. Despite being a minority of the total number, vessels with Gulf shrimp permits accounted for an average of 67 percent of total shrimp landings and 77 percent of total ex-vessel revenues. Of all the vessels with Gulf shrimp permits, 73 percent were active and 27 percent were inactive (i.e., did not commercially fish).

During the period from 2006 through 2010, an average federally permitted shrimp vessel generated revenues from commercial fishing ranging from around \$205,000 to \$244,000. An average active federally permitted vessel had revenues from commercial fishing ranging from around \$233,000 to \$274,000. As may be expected, revenues from commercial fishing for an average inactive permitted vessel were practically none.

Based on the revenue figures above, all federally permitted shrimp vessels are expected to be directly affected by the final changes to the management measures and are determined for the purpose of this analysis to be small business entities. Hence, NMFS determined that the action would affect a substantial number of small entities.

Because NMFS determined that all entities expected to be affected by the final changes to the management measures are small entities, the issue of disproportional effects on small versus large entities does not arise in the present case.

The vessel permit holders' share of the cost of the new ELB program consists of a one-time cost of installing the ELB unit, an annual cost of transmitting data from the ELB unit to NMFS servers, and a periodic cost of repairing or replacing defective ELB units. On a per vessel basis, the installation cost is \$200 and the annual data transmission cost is \$240. In the event of equipment failure, the cost of repair could run from a de

minimis amount to \$425, which is the cost of replacing an ELB unit.

During the period from 2006 through 2010, an average permitted shrimp vessel had negative net operating revenues in all years, except 2009. Its net profits (i.e., net operating revenues plus net receipts from non-operating activities, such as government payments) were positive in 2006 (\$2,961), 2009 (\$1,238), and 2010 (\$94,279). However, it should be noted that the 2010 profits came mainly from earnings associated with the Deepwater Horizon MC252 (DWH) oil spill in the form of damage claims and revenues from the vessel's participation in BP's clean-up program. Without these oil spill related revenues, net profits in 2010 would have been negative \$2,480.

For active federally permitted shrimp vessels, net operating revenues were negative in all years from 2006 through 2010. In addition, profits in all of those years were negative, except in 2010. Again, the positive net profits in 2010 were due to revenues associated with the DWH oil spill. The situation is worse for inactive permitted shrimp vessels, with net revenues and profits (except for 2010) being more negative than those of active permitted shrimp vessels. The average inactive permitted shrimp vessel had higher net profit in 2010 than the average active permitted shrimp vessel.

The cost of the new ELB program will impose a significant impact on the profits of an average permitted shrimp vessel. The effects will be even more significant for vessels that are not active in the fishery. It is noted that there are some vessels that are substantially more profitable than the average vessel, and thus will be able to absorb the per vessel cost of the ELB program. However, there are other vessels that are only slightly more profitable than the average vessel, and very likely the impacts on their profits will be significant.

The following discussion analyzes the alternatives that were not selected as preferred by the Council.

The management measures contained in the framework action continue the ELB program. Being adjudged and proven to be very effective in collecting shrimp effort data in the Gulf EEZ, continuation of the ELB program has been deemed necessary so that NMFS can effectively carry out its mandate to base conservation and management measures on the best scientific information available and to minimize bycatch to the extent practicable. To date, no other means of collecting shrimp effort data have been developed and tested that would be more technically and economically effective than the ELB. Therefore, no other alternative to collect shrimp effort data was considered.

However, three alternatives, including the preferred alternative, were considered for funding the ELB program. As noted above, the preferred alternative will provide for cost sharing between NMFS and the vessel permit holders in the Gulf shrimp fishery. The second alternative will require NMFS to bear the entire cost of the ELB program. NMFS recognizes the vital role that the ELB program has played in estimating shrimp effort in the Gulf, but due to budget constraints, NMFS cannot fully fund the ELB program. The third alternative will require the Gulf shrimp vessel permit holders to fund the entire cost of the ELB program. For several years now, the Gulf shrimp industry has been in relatively dire financial condition. Thus the Gulf shrimp fishery indicated that it could not possibly fund the entire cost of the ELB.

These final changes to management measures contain collection-of-information requirements subject to the requirements of the Paperwork Reduction Act (PRA), which have been approved by Office of Management and Budget (OMB) under control number 0648-0543. NMFS estimates the requirement for the Gulf shrimp fishery to share in the costs of the new ELB units, which includes installation (\$200) and data transmission (\$240), to average 1 hour and \$440 per response for the first year. After the first year, NMFS estimates the requirement for vessel permit holders in the Gulf shrimp fishery to share in the

costs of the new ELB units, which includes data transmission, to average 1 hour and \$240 per response. These estimates of the public reporting burden include the time for reviewing instructions, gathering and maintaining the data needed, and completing and reviewing the collection-of-information.

Notwithstanding any other provision of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection-of-information subject to the requirements of the PRA, unless that collection-of-information displays a currently valid OMB control number.

Authority: 16 U.S.C. 1801 et seq.

Dated: December 20, 2013.

Alan D. Risenhoover, Director, Office of Sustainable Fisheries,
performing the functions and duties of the Deputy Assistant Administrator
for Regulatory Programs, National Marine Fisheries Service.

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